



U.S. Small Business Administration FY 2011 Budget Fact Sheet: Growing Businesses, Creating Jobs

SBA's FY 2011 request of \$994 million reflects the agency's commitment to its core mission of growing businesses and creating jobs. The budget strengthens the relevance of SBA's programs and resources to the current needs of entrepreneurs and small business owners, continuing to give small businesses the tools they need to meet the challenges of this tough economic time, while providing support for long-term growth for small businesses from Main Street to those with high growth potential. As a result, this budget further enhances SBA's role as "the voice" for small business across the federal government.

Growing Businesses and Creating Jobs

Expanding Access to capital

- Knowing that access to capital gives small businesses the opportunity to stabilize in the current economic climate, as well as expand and create jobs, this budget supports more than \$28 billion in small business financing.
 - For 7(a), \$165.4 million in subsidy will support \$17.5 billion in lending authority. This includes \$1.5 billion in revolving lines of credit that will support \$39 billion in total disbursement activity as borrowers draw and repay over time. Altogether, this supports more than \$55 billion in credit activity when taking 7(a) loan terms into account.
 - For 504, \$7.5 billion in lending authority will support loans in collaboration with Certified Development Companies.
 - For Small Business Investment Company debentures which support high-growth, high-impact small firms, \$3 billion in authority is requested.
 - For Microloans, \$3.8 million in subsidy will support a program level of \$25 million.
- The budget requests legislation to increase the maximum sizes of 7(a) and 504 loans from \$2 million to \$5 million (\$5.5 million for 504 manufacturing projects) and \$50,000 for microloans.
- This budget reflects the SBA's high-priority performance goal over the next two years to increase the number of SBA 7(a) lenders with an active portfolio.

Expanding Opportunities in Government Contracting and Business Development

- This budget reflects the agency's core belief that federal government contracting opportunities are a critical tool in helping small businesses increase their volume, expand and create jobs.
- This budget requests \$2 million in additional funds for programmatic efforts to reduce fraud, waste and abuse, and meet statutory requirements. This supports SBA's high-priority performance goal of meeting or exceeding federal government contracting goals and reducing participation by ineligible firms.
- The SBA will also focus on meeting contracting goals overall, and for women and service-disabled veteran-owned small businesses, as well as firms in the HUBZone and 8(a) programs.

Entrepreneurial education, counseling and training

- This budget reflects funding for SBA and its resource partners who provide free counseling to more than 1 million entrepreneurs and small business owners each year. Annual impact studies show that these education and counseling relationships contribute to the long-term success of these businesses and their ability to create jobs. This support is even more critical as we continue to provide small businesses with the tools to drive our nation's economic recovery. This budget includes a total of \$134 million to support SBA's resource partners and their 14,000 SBA-affiliated counselors.
 - \$113 million to support about 900 Small Business Development Centers
 - \$14 million to support about 100 Women's Business Centers
 - \$7 million to support about 370 chapters of SCORE, a mentoring program involving retired executives.
- The budget requests \$3 million to increase the reach of a particularly effective SBA program called Emerging Leaders (formerly "Emerging 200"). Graduates of this program – often in distressed areas – have reported significant increases in revenues, government contracts, local hires, and access to financing.

Disaster Assistance

- SBA provides critical support for businesses and communities following disasters to help ensure they are in the best position for economic recovery. In line with that, this budget supports a disaster loan volume of \$1.1 billion in direct lending. \$203 million is requested for administrative expenses, an increase of \$126 million from the 2010 enacted level, as it is estimated that there will no longer be unobligated balances available from prior year appropriations
- The budget supports SBA's disaster assistance high-priority performance goal to continually process disaster loan applications within standard turnaround times.

Small Business Innovation Research program

- This budget requests \$2 million to improve data collection for the highly-effective SBIR program, which is a catalyst for long-term job growth by providing opportunities for innovative companies with high growth potential.
- These funds will support the high-priority performance goal of collecting best practices in innovation and commercialization, while strengthening program oversight and refining performance metrics.

Regional Innovation Clusters

- This budget requests \$11 million to support the job growth potential found in geographic concentrations of businesses, suppliers, service providers and associated institutions in a particular field. These clusters will involve public-private partnerships, which align federal resources – including SBA's extensive entrepreneurial education network – with existing regional strengths and economic growth opportunities.

Strengthening SBA to Meet the Needs of Today's Small Businesses and Entrepreneurs

This budget continues to place a high priority on investing in the agency's people and technology to ensure SBA is in the best position to deliver its core programs and services and meet the needs of today's entrepreneurs and small business owners.

Human Resources

- This request will support 2,209 regular full-time employees, an increase of 6 employees and \$1.8 million as part of an Administration-wide effort to improve acquisition and procurement practices.
- The budget also supports continuation of management training, mentoring, succession planning efforts and other human capital initiatives

Managing and Reducing Risk

- This budget requests \$2 million to strengthen lender oversight and on-site reviews (as recommended by GAO) in order to ensure proper stewardship of taxpayer dollars.

Program Management and Evaluation

- This budget requests \$1.1 million to formally evaluate SBA loan, entrepreneurial development or other programs and policies to further increase the effectiveness of these popular programs.

Technology Infrastructure Modernization

- This budget requests \$18.4 million for the continued modernization of the SBA's Loan Management and Accounting System which involves major upgrades affecting SBA loan programs, offsite data storage, and computing facilities. LMAS allows for better decision-making by managers and agency leadership. This mandated project began in FY06 and is expected to be completed by FY14.

Serving as the Strongest Voice for Small Business

- This budget enhances the agency's role as the voice for small business across the federal government, and overall aligns with SBA's role as a leader and partner in interagency collaborations, outreach to underserved communities including women and minority-owned businesses, advocacy on behalf of both Main Street and small businesses with high growth potential.

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